



Maricopa County Board of Supervisors

News Release

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Supervisor Mary Rose Wilcox to Present First Ever American Dream Downpayment Initiative Check to New Avondale Homeowner

On Friday, March 10, 2006 at 10:00 AM, Maricopa County Supervisor, Mary Rose Wilcox, will present a check to Neighborhood Housing Services of the Southwest (NHS) and Jesus Ramirez representing the County's first payment under the U.S. Department of Housing and Urban Development's (HUD) American Dream Downpayment Initiative (ADDI).

Jesus Ramirez is the first resident of Maricopa County to receive assistance through the ADDI. He will receive \$9,995 from Maricopa County to help him realize his dream of homeownership.

Ramirez lives in the new home with his wife and five children. His journey to find a home started approximately two years ago, when he began working with NHS, a local nonprofit agency, to purchase a house. At that time, Jesus, his wife, five children and both of his parents lived in a two-bedroom, single-wide trailer with no yard in a drug-infested neighborhood.

Ramirez and his wife attended NHS's financial literacy and homebuyer education classes, and worked to bring their debt to zero so that they could qualify for a loan based on Ramirez's income. The Ramirez family's dream materialized in December 2005, when they closed on their first home in Avondale, AZ.

NHS is currently working with three additional clients who will close on their first homes shortly.

American Dream Downpayment Initiative Background

- The American Dream Downpayment Initiative (ADDI) was signed into law on December 16, 2003, as a means to help first-time homebuyers get into their first homes. ADDI funds were first made available to Maricopa County in FY 2004-2005.
- The ADDI funds can be used to provide first time homebuyers with assistance equal to 6% of the purchase price of a home or \$10,000, whichever is greater. These funds can be used for downpayment assistance and related costs associated with purchasing a new home.
- The ADDI program is a subgrant under the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships Program (HOME). The ADDI program, like HOME, is an annual entitlement. HUD does not provide any funding to administer this grant. Homebuyer counseling is encouraged for each new homebuyer; but the cost of the counseling must be paid for with funds other than the ADDI funds.
- The Maricopa Urban County receives ADDI funds each year through the Maricopa HOME Consortium. The funds allocated to the Urban County can be used in the cities/towns of Buckeye, El Mirage, Gila Bend, Goodyear, Guadalupe, Queen Creek, Tolleson, Wickenburg, Youngtown, and the unincorporated areas of the County. The funds can also be used in Avondale and Surprise until July 1, 2006. At that time, Avondale and Surprise will receive their own ADDI funds through the Consortium.
- Maricopa County has received approximately \$193,510 in ADDI funds from HUD to date. In FY 2006-2007, the grant will be greatly reduced; however, the Maricopa Urban County expects to receive an additional \$17,565 in ADDI funds for first-time homebuyers.
- The challenge for Maricopa County has been to find a way to make the limited funds available to all residents of the Urban County; while minimizing the administrative costs to operate the program.
- Maricopa County Community Development drafted ADDI procedures and negotiated with a number of agencies, including local banks, to administer the ADDI funds. Neighborhood Housing Services of the Southwest (NHS) was the first agency to agree to administer the ADDI funds in accordance with the federal requirements and without any administrative support from the County. A memorandum of understanding was executed between NHS and the County Board of Supervisors on November 2, 2005.

Neighborhood Housing Services Background

- Neighborhood Housing Services of the Southwest (NHS), a nonprofit agency, was established on September 21, 1988, for the purpose of providing affordable housing to low-income residents.
- Programs offered by NHS have included owner-occupied housing rehabilitation, financial literacy education, first-time homebuyer education, resident leadership development, down-payment assistance, foreclosure prevention assistance, affordable new construction, and pre- and post-purchase counseling. Over the years, NHS has partnered with Maricopa County on numerous affordable housing projects through the HOME program.
- NHS is a certified housing counseling agency, and provides housing counseling to each of its housing clients. Housing counseling consists of budgeting, debt reduction, credit repair, money management skills, and how to read and understand credit reports.

